

13 March 2000

Mr Graeme Charles
Secretary
Co-operative Federation of Victoria Ltd
PO Box 356
BEECHWORTH 3747

Dear Secretary,

ENOUGH IS ENOUGH

The executive officer's letter of 15 February to selected members is just the latest of a growing number of disparaging comments and innuendo being leveled against me since my leaving the Federation on 30 September 1999.

I want to alert directors to what I believe is a campaign of vilification by certain persons within the Federation who seem intent on destroying my reputation by creating a negative image of me and my consultancy services with members of the Federation and other co-operatives.

To put it all into context, I want to first remind directors of the circumstances that led to my resignation from the Federation mid way through my 2 year contract.

I was forced to resign from the Federation due to the board ignoring legal advice by passing a resolution that, if implemented, would have forced me to act as an employee (under the threat of my contract being terminated). This followed a year long campaign of harassment and intimidation by some directors, particularly the chairman, who was unhappy with the board renewing my consultancy arrangement in June 1998. There was a clear desire by these directors that I be an employee. (I lost the position of secretary for 8 months as a result, until legal advice was obtained that confirmed that a secretary could be an independent contractor).

The board's resolution not only compromised my contract with the Federation; it opened the Federation, directors and myself to investigation and possible action by the Australian Taxation Office. I **resigned to protect the Federation, directors and myself from any such actions.**

I was not informed before the June 1999 board meeting of the nature of the resolution that led to my forced resignation. I was denied natural justice by not being given the opportunity to prepare for the resolution or have available documents that would have enabled me to mount a defence to the allegations made against me.

Moreover, as part of the same resolution the board requested the chairman to "make every endeavor to develop a positive working relationship with the consultant". Yet the board did **nothing** when the chairman called me a ratbag at the end of the meeting. (This was not the first time the chairman has abused me - he had previously called me a schizophrenic and feral at a mediation meeting).

Since my resignation, there have been a number of references to me (either directly or indirectly as a "consultant") in subsequent editions of the VCN that appears to be designed to promote a negative attitude towards me. A number of members have already contacted me expressing concern at the negative image being portrayed of me in VCN. On the following page there are examples that illustrate the campaign against me.

1. I made it very clear to the August 1999 board meeting that Co-operative Development Services Ltd (CDS) was focusing on the formation of new co-operatives, and that I was **not** going to provide rules and legislation advice to members of the Federation (see minutes).

Yet, it was reported in VCN (Vol 5 No 5) that CDS (including myself) **was** providing rules and legislation advice in **competition** with the Federation. The article did not make any reference to my statement at the August board meeting or the offer by CDS to collaborate with the Federation. This was a blatant attempt to discredit CDS and portray it as a co-operative that does not subscribe to the principle of co-operation between co-operatives.

2. It was suggested in the latest edition of VCN (Vol 5 No 6) that the annual general meeting was delayed because of transition difficulties in the handover to the new executive officer. I recall that the meeting was delayed because the auditor had not presented the correct directors report to the August board meeting. I personally briefed the executive officer of the requirements for the annual meeting, handed over the necessary files and offered to assist him in preparing for the meeting. My offer of assistance was not taken up.
3. It was also reported in VCN (Vol 5 No 6) that a number of co-operatives had been trying to get in touch with me, which "prompted" the subsequent paragraph on matters to consider when engaging a consultant. While subtle, the inference was there that co-operatives should be wary of engaging me as a consultant.

The directors don't seem to understand that I gave up a career (a job I enjoyed, influence on matters affecting the co-operative movement and an income) to protect the Federation and directors, and to give to the board what it wanted - an employee. I thought the board was happy with this outcome (as there was no regret in the board's response to my resignation), and I had hoped the unpleasant experience of the previous year would be put behind me.

Now that I'm trying to earn a living from consulting to co-operatives, the Federation seems intent on destroying my reputation among my potential clients.

Just what is the problem? I gave the board what it wanted. Did I do such a lousy job over the last 6 years that the Federation now seeks to destroy my reputation as well?

ENOUGH IS ENOUGH. I hold the directors of the Federation responsible for this campaign of vilification, as the board has made no attempt to stop it. Someone has to be held accountable - the buck stops with the board. I therefore request that the board take immediate action to stop the campaign against Co-operative Development Services Ltd and myself.

I believe that my reputation has suffered as a result of the campaign. I therefore demand that an apology to CDS and myself be put into the next edition of the VCN with an explanation agreed to by myself stating the **true** facts behind my leaving the Federation (not that I've moved on, VCN Vol. 5 No 4), and to correct the erroneous statements made in recent editions of VCN. If this is not done, I will have no choice but to send a copy of this letter to all members of the Federation and other recipients of VCN in order to salvage my reputation.

Yours sincerely,



Tony Gill
RMB 1282
BLAMPIED 3364

Cc Directors

Tony Gill, 11:39 23/04/00 +1, Answerng machine etc

X-From_: tonygill@netconnect.com.au Sun Apr 23 11:40:56 2000
Delivered-To: graamech@netc.net.au
Delivered-To: cfedv@netc.net.au
X-Sender: tonygill@mail.netconnect.com.au (Unverified)
X-Mailer: QUALCOMM Windows Eudora Light Version 3.0.5 (32)
Date: Sun, 23 Apr 2000 11:39:40 +1000
To: cfedv@netc.net.au
From: Tony Gill <tonygill@netconnect.com.au>
Subject: Answerng machine etc

Dear Graeme,

Without prejudice

Thank you for the cheque and letter which I received on Thursday last.

The answering machine is not in my possession. It was packed in one of the boxes that was couriered to you. Maybe you haven't unpacked it yet?

I still have the fax machine, which wasn't mentioned in your letter. I'm still waiting for your response to my 3 emails sent to you last year seeking to make arrangements for getting the machine to you.

In relation to petty cash, I recall that I did owe some petty cash money, although I'm not sure whether or not I have paid it or the amount outstanding. I no longer have the records from which this information can be obtained. I have always intended to repay it. While I appreciate the board's generosity, I would prefer to pay the amount that is owed as I do not want to give anyone the opportunity to accuse me at some future date of dishonesty or stealing money from the Federation.

I'm annoyed that you didn't check with me first about the whereabouts of the answering machine or remind me about the outstanding petty cash before you reported these matters to your board. Your lack of curtesy is systematic of the treatment I've been getting from the federation since I left - tactics to discredit myself, spreading rumours, late payment of account, slow or no responses to letters and emails.

I'm tired of these games Graeme. I don't know what I've done to you to make you react this way. I have always tried to be helpful, offering to assist you in the transition period and being patient in waiting for your responses to letters and emails. You seem to have caught the Griffiths' disease of vindictiveness. There has been enough damage done to the credibility of myself, CDS and the Federation. It just has to stop. I await with interest the board's response to my letter ENOUGH IS ENOUGH.

I also look forward to your clarification of the petty cash owing and your response to my emails last year on how to get the fax machine to you.

I trust that the 'reinvented' federation is performing to expectations.

Regards

Tony Gill

Co-operative Development Services Ltd

PO Box 189, Daylesford, Victoria, 3460

Telephone: (03) 5348 1544 Fax: (03) 5348 3253 Mobile: 0429 176 372

Email: cds@netconnect.com.au

ABN 27 610 103 826

12 July 2000

Mr. Graeme Charles
Secretary
Co-operative Federation of Victoria Ltd
PO Box 356
BEECHWORTH 3747

Dear Mr. Charles,

Thank you for your prompt reply to my letter of 4 July. We are pleased that your response time to letters from members has improved markedly over recent months and trust that this will continue into the future.

In relation to proxy voting, we could not vote by proxy because the appropriate form was not sent to us with the notice for the last annual meeting, as is normal practice for proxy voting.

Rule 31(7) of the Federation's rules state that "An instrument appointing a proxy shall be in a form approved by the board."

We are asking why the notice of the annual meeting did not mention that proxy voting is an option or that the proxy forms were available from you.

It is incumbent on the Federation to send proxy forms to every member with the notice of meeting and to advise them of the procedure for voting. Members can then have a choice as to whether to attend the annual meeting or not.

We hope that for the 2000 annual meeting, proxy forms will be sent to members with the notice of meeting, so that all members are given the opportunity to vote by proxy if they desire. The Federation may think this is not serious matter, however, encouraging members to participate in the democratic process is a fundamental tenant of co-operation.

We trust that the Federation will make every effort to ensure that members can exercise their democratic rights in the manner they choose at future general meetings.

Yours sincerely,



Paula Weaver
Secretary

Co-operative Development Services Ltd

PO Box 189, Daylesford, Victoria, 3460

Telephone: (03) 5348 1544 Fax: (03) 5348 3253 Mobile: 0429 176 372

Email: cds@netconnect.com.au

Mr. Graeme Charles
Secretary
Co-operative Federation of Victoria Ltd
PO Box 356
BEECHWORTH 3747

21 September 2000

Dear Mr. Charles,

We read with interest in the July/August edition of the Victorian Co-operative News that the Federation has submitted a proposal to the Victorian Minister of Agriculture to fund various co-operative development initiatives.

CDS is aware of the Federation's long standing policy of working with member co-operatives. We wish to restate our offer of October last year to collaborate with the Federation on co-operative development projects.

CDS provides a comprehensive range of co-operative development, formation and start-up services, which are outlined in the enclosed brochure.

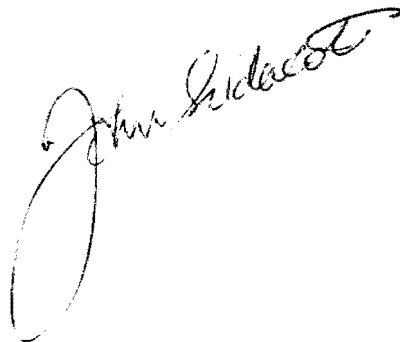
Our network of consultants and professional advisers has considerable experience in co-operative development. Our director, Tony Gill, has facilitated the formation of over 40 co-operatives and has a very good practical knowledge of a range of co-operative models. Our legal advisors, Stone and Partners, have been providing legal advice on a range of co-operative law issues to co-operatives in Victoria, NSW and Queensland for over 30 years. We also have access to business and strategic planners who have undertaken work for co-operatives in Victoria.

We would be happy to meet with representatives of the Federation to discuss how CDS could assist in any co-operative development projects arising from your proposal to the Minister.

In the spirit of the co-operative principles, we trust that your board will consider favorably our offer of collaboration with the Federation.

Yours sincerely,

John Endacott
Acting Secretary



Enc.

Subject: Re: your letters 19th and 23rd April

Date: Wed, 16 May 2001 22:18:08 +1000

From: John Endacott <cds@netconnect.com.au>

To: graeme charles <graemeh@netc.net.au>

Dear Graeme,

thank you for your responses to our letters. We're pleased that you agree with us on the annual subscription issue. We also noted that last year the board offered a 10% discount on subs received before the end of August. We believe that the board acted outside the rules in not putting the proposition to members FIRST at the AGM. Moreover, the Federation talks alot about co-operative democracy yet in the above case your board subverted democracy by pre-empting the members decision on the matter. We trust that your board will in this and future years uphold the principles of co-operative democracy and allow the members to consider the board's recommendations on subscription rates at annual general meetings.

Re website

We're happy with your proposition that limited details be given on members on the CFV website considering ACCORD's data base. You know our contact details etc. Our web address is www.spa-country.net.au/cooperatives. We suggest that email address of members be linked to an email program (see our contact page on our web site) to facilitate contact. Also, we're aware of the Federation's proposal to add formation info on your site. As it is our business to form co-operatives and CDS is a member of the Federation, and considering our range of services and the extensive co-operative and business development experience of members of our network (over 40 co-ops formed), we ask that details of CDS (including a link to our web site) be included on the relevant formation pages. If this is acceptable, we'll prepare a brief (1 or 2 paragraph) summary for the site. Thanks for your offer for suggestions.

Regards

John

At 03:49 PM 5/1/01 +1000, you wrote:

>Dear John, I thought I would provide this response to your recent
>letters and refer them to the Board for any subsequent response they may
>have.
>19th April. Website. The Federation's website won't be launched in May,
>but will include a limited number of co-operative links and we will be
>pleased to links to member co-op websites. However this will be limited
>as we are not seeking to compete with the extensive database being
>developed by ACCORD. It has not been envisaged that additional
>information would be provided-other than the name and website address.
>If you have suggestions that additional info. should be provided, then
>we would be pleased to consider your suggestions as to why this would be
>of benefit as it should be available to all member co-ops. It would also
>be helpful if you provided the additional information you would like
>included about CDS Ltd. This would assist our assessment of the
>proposal. Legislation. I sent you copies of any relevant correspondence
>I had received concerning the proposed changes on January 17th. My
>understanding is that the proposed changes will be subject to
>consultation once they have been considered by the Ministerial Council
>on Co-operative Affairs. I have no advice as to whether the MCCA has met
>to consider the proposed changes. Rolf Wilkens. Rolf Wilkens resigned
>from the Federation Board in September last year.
>23rd April. Your comments on the resolution of the last AGM to increase
>the minimum subscription level for financial year 2001/2002, I believe

>are correct. I will be advising the Board of this procedural error and
>anticipate the situation will be corrected. Special General Meeting. I
>inadvertently mentioned the wrong date in my letter to you of 17th
>January, the SGM was held on 19th October 2000. Thank you for drawing
>my attention to the matter of the annual subscriptions. Regards, Graeme
>Charles Executive Officer Co-operative Federation of Victoria Ltd.

>

>

>

Subject: Services of Federation

Date: Sun, 27 May 2001 12:30:37 +1000

From: John Endacott <cds@netconnect.com.au>

To: Graeme Charles <cfedv@netc.net.au>

Dear Graeme

thank you for forwarding a receipt for our 2000/2001 annual subscription. However, we did not receive details of the Federation's services as requested.

We would be grateful if you could also mail us the following:

1. The case study of Yeoval Community Hospital. CDS is organising a study tour on health co-operatives for the Malaysian Deputy Minister of Co-operatives who will be visiting Australia later this year. He may find the case study interesting.
2. The papers presented by Tom Webb to the Federation's workshop on 14 May. Due to other commitments, we were unable to send someone to attend the workshop.

Also, could you please advise of the total price for obtaining a copy of the Federation's rules, and copies of the register of members and shares, the register of directors and the register of memberships cancelled.

Thanks

Regards John

Subject: Re: Follow up recent correspondence

Date: Fri, 29 Jun 2001 21:53:50 +1000

From: John Endacott <cds@netconnect.com.au>

To: Graeme Charles <graemech@netc.net.au>

Graeme, thank you for the Yeoval Case Study - I'm sure the Malaysian Minister will find it helpful. Thanks also for the advice on the cost of the registers. Will be sending cheque soon for a copy of the rules and registers.

We heard about the launch of the co-op start up manual in Shepparton. We would be interested in receiving a copy - is there a cost? If no cost, please post one manual to PO Box 189 Daylesford 3460. If a cost, please advise and I send a cheque with the order.

CDS has a new web address <<http://www.coopdevelopment.org.au>>, which should be used as the link from the CFV web site to the CDS web site.

Regards John

PS Am still awaiting information on Federation services. Please advise when you are likely to post details.

At 08:41 AM 6/12/01 +1000, you wrote:

>John, I have attached the Yeoval Case Study and suggest you have a look
>at their website. My understanding is that copies of registers can be
>provided at a cost of \$2 per page up to a maximum of \$20. Regards,
>Graeme Charles.

>

>John Endacott wrote:

>>

>> Dear Graeme,

>>

>> Thanks for your email of 28 May.

>>

>> 1. Please email the Yeoval Case Study. We will post a cheque to you shortly
>> for Tom Webb's notes.

>>

>> 2. We have not yet received the information on Federation services as
>> requested on 2 May or the total cost of obtaining the rules and registers
>> as requested on 27 May. Please advise when likely to be available.

>>

>> Regards, John

>Attachment Converted: "c:\eudora\attach\Case Study 9 Yeoval Community
Hospital Co.doc"

>

Subject: Nomination form - director

Date: Sat, 20 Oct 2001 10:12:07 +1000

From: John Endacott <cds@netconnect.com.au>

To: Graeme Charles <graemech@netc.net.au>

CC: cfedv@netc.net.au

Dear Graeme,

I refer to the Federation's letter of 12 October inviting nominations for directors of CFV. I would be grateful if you could forward me a nomination form as CDS will be nominating Tony Gill for election as a director of CFV at the forthcoming AGM. Please note that our new mailing address is PO Box 24, Hepburn Springs, 3461.

I also attach a letter sent to the secretary and directors of CFV highlighting the requirements of rule 38(6).

Regards

John Endacott

